



# House of Representatives

General Assembly

**File No. 669**

February Session, 2014

Substitute House Bill No. 5134

*House of Representatives, April 24, 2014*

The Committee on Appropriations reported through REP. WALKER of the 93rd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## **AN ACT CONCERNING THE ACQUISITION OF REAL PROPERTY TO BE USED FOR SCHOOL CONSTRUCTION.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (2) of subsection (a) of section 8-129 of the  
2 general statutes is repealed and the following is substituted in lieu  
3 thereof (*Effective October 1, 2014*):

4 (2) For any real property to be acquired by eminent domain  
5 pursuant to section 8-128 or 8-193, or by condemnation pursuant to  
6 section 32-224, pursuant to a redevelopment plan approved under this  
7 chapter or a development plan approved under chapter 132 or 588l, the  
8 agency shall have two independent appraisals conducted on the real  
9 property in accordance with this subdivision. Each appraisal shall be  
10 conducted by a state-certified real estate appraiser without  
11 consultation with the appraiser conducting the other independent  
12 appraisal, and shall be conducted in accordance with generally  
13 accepted standards of professional appraisal practice as described in  
14 the Uniform Standards of Professional Appraisal Practice issued by the

15 Appraisal Standards Board of the Appraisal Foundation pursuant to  
16 Title XI of FIRREA and any regulations adopted pursuant to section  
17 20-504. Each appraiser shall provide a copy of the appraisal to the  
18 agency and the property owner. The amount of compensation for such  
19 real property shall be equal to the average of the amounts determined  
20 by the two independent appraisals, except that (A) the compensation  
21 for any real property to be acquired by eminent domain pursuant to  
22 section 8-193 or by condemnation pursuant to section 32-224 shall be  
23 one hundred twenty-five per cent of such average amount, and (B) the  
24 compensation for any real property to be acquired by eminent domain  
25 pursuant to section 10-241a shall be equal to the average of the  
26 amounts determined by the two independent appraisals or the  
27 assessed value of such real property according to the most recent  
28 grand list. If the agency acquires real property that is subject to this  
29 subdivision five years or more after acquiring another parcel of real  
30 property within one thousand feet of the property pursuant to a  
31 redevelopment plan or development plan, the agency shall increase  
32 the amount of compensation for the subsequent acquisition of real  
33 property by an additional five per cent for each year from the sixth  
34 year until the tenth year after the acquisition of the first parcel of real  
35 property. With respect to a redevelopment plan or development plan  
36 for a project that is funded in whole or in part by federal funds, the  
37 provisions of this subdivision shall not apply to the extent that such  
38 provisions are prohibited by federal law.

This act shall take effect as follows and shall amend the following sections:

Section 1	October 1, 2014	8-129(a)(2)
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**APP**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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**OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:**

Municipalities	Effect	FY 15 \$	FY 16 \$
Various Municipalities	Savings	Potential	Potential

**Explanation**

The bill provides municipalities with an option, when compensating a property owner for land acquired through eminent domain and used for school construction, to compensate based on either the average of two independent appraisals or the assessed value of the property on the most recent grand list.

It is anticipated that a municipality would choose the less costly of the two options. This results in a savings to the extent that the assessed value of a property is lower than the average of two independent appraisals.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****sHB 5134*****AN ACT CONCERNING THE ACQUISITION OF REAL PROPERTY  
TO BE USED FOR SCHOOL CONSTRUCTION.*****SUMMARY:**

With certain exceptions, the law authorizes local and regional school districts to take by eminent domain land necessary for public school development, after fairly compensating the owner. This bill adds a method for determining the compensation and gives the school district discretion to choose between the two options.

Under current law, the school district must compensate the property owner in an amount equal to the average of two independent appraisals. The bill instead requires that the compensation equal the (1) average of the two appraisals or (2) property's assessed value, according to the most recent grand list.

EFFECTIVE DATE: October 1, 2014

**BACKGROUND*****Eminent Domain Exceptions***

The law prohibits school districts from taking land by eminent domain when the land (1) has a church on it, unless the ecclesiastical society consents, or (2) is used as a cemetery or for burial purposes.

***Independent Appraisals***

When school districts take land by eminent domain, they must have the land appraised by two state-certified appraisers. The appraisers must work independently of each other and use generally accepted standards as described in the Uniform Standards of Professional Appraisal Practice. Each appraiser must provide a copy of the appraisal to the property owner and the school district.

***Legislative History***

The House referred the bill (File 42) to the Appropriations Committee, which favorably reported a substitute that eliminates a requirement that the school district compensate the property owner in an amount equal to the greater of the (1) average of the two appraisals or (2) property's assessed value, according to the most recent grand list.

**COMMITTEE ACTION**

## Housing Committee

Joint Favorable

Yea 6 Nay 1 (03/06/2014)

## Planning and Development Committee

Joint Favorable

Yea 10 Nay 9 (04/02/2014)

## Appropriations Committee

Joint Favorable Substitute

Yea 44 Nay 0 (04/15/2014)